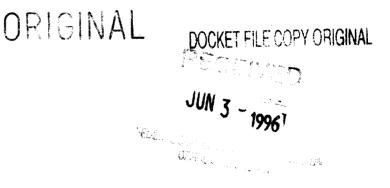




1801 Pennsylvania Avenue: NºV Washington, DC 2000€ 202 872 1600

June 3, 1996

Mr. William F. Caton Secretary Federal Communications Commission Room 222 1919 M Street, N.W. Washington, D.C. 20554



Re: Implementation of the Local Competition Provisions in the Telecommunications Act of 1996; CC Docket No. 96-98

Dear Mr. Caton:

Enclosed herewith for filing are the original and sixteen (16) copies of MCI Telecommunications Corporation's Reply Comments regarding the above-captioned matter. Pursuant to the Commission's request, MCI is also submitting by separate cover a 3.5 inch diskette using MS DOS 5.0 and WordPerfect 5.1 software, containing our enclosed comments.

Please acknowledge receipt by affixing an appropriate notation on the copy of the MCI Reply Comments furnished for such purpose and remit same to the bearer.

Sincerely yours,

Coretta J. Garçia

Enclosure

LJG

cc: Gloria Shambley -- 2000 M St., Suite 210 (3 copies)

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Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

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Implementation of the Local)	CC	Docket	No.	96-98
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Telecommunications Act of 1996)				

MCI REPLY COMMENTS

MCI Telecommunications Corporation (MCI) respectfully submits these reply comments in the docket captioned above.
MCI responds to comments on dialing parity; operator and directory assistance services: access to poles, conduits and rights of way; and notice of technical changes. In the interest of keeping the record as uncluttered as possible, these reply comments will be brief and pointed.

I. Dialing Parity

The Federal Communications Commission (Commission) should establish national standards for dialing parity and not defer

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Notice of Proposed Rulemaking, FCC 96-182, released April 19, 1996.

this issue to the states, as advocated by some parties.² Section 251(d)(1) of the 1996 Act³ contemplates as much, allowing for the Commission to establish overarching regulations for implementation of interconnection issues, including dialing parity.

Parties agree with MCI that the 2-PIC method of presubscription should be used to implement dialing parity.⁴ This method will maximize the consumer's choice of carriers for both interLATA and intraLATA toll service. It is technically feasible and procompetitive.

The Commission should adopt a national implementation schedule and should reject proposals that the incumbent local exchange carriers (ILECs) (PacTel at 12-13) or the states (CBT at 5-6) should set the schedule. Leaving this to ILECs would delay implementation because the ILECs have no incentive to quickly implement dialing parity. In addition, leaving

² Comments of Ameritech at 14-20, Bell Atlantic at 2-6, BellSouth at 9-11, Pacific Telesis Group at 10-12, and United States Telephone Association at 2-4.

Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996 Act).

Comments of Ameritech at 15-16, SBC Communications, Inc. at 3-4, NYNEX at 3-4, US West. Inc. at 5-6, Cincinnati Bell Telephone at 3-5, and AT&T at 4-6.

implementation to a negotiation process would result in a patchwork of different dialing parity implementation schedules for different parties. Such a result would only leave consumers confused. Thus, dialing parity is an issue that calls for uniform resolution, just as equal access did in the 1980's.

II. Operator Services, Directory Assistance and Listings

MCI disagrees that current offerings for operator services, directory assistance and directory listings satisfy the requirements of the 1996 Act and that the Commission need take no further action. On the contrary, the Commission is obliged under the 1996 Act to ensure that local exchange carriers (LECs) provide access to these important functions. At a minimum, the Commission should adopt its proposed conclusions to ensure that customers can dial "0," or "0" plus the telephone number, and connect to live or automated assistance to arrange for billing and/or completion of a call. It should also adopt its proposal to require LECs to resell operator services.

Comments of Ameritech at 7-10, NYNEX at 6-9, and SBC at 6-7.

To advance the goals of the 1996 Act with respect to nondiscriminatory provision of these functions, directory assistance (DA) information should be available in widely accepted industry standard, as suggested by US West (at 9-11). MCI recommends that the listings be provided in accordance with common practice: in electronic form and in readily usable format.

III. Poles, Conduits and Rights of Way

MCI disagrees with parties requesting that these issues be resolved by state commissions, or through private negotiations. National rules are needed because access to these facilities is critical in designing networks that span state boundaries. Rules that vary state-by-state -- or worse, on a case-by-case basis -- would make it difficult for new service providers to design and implement efficient networks. The Commission's rules thus should address and resolve access and access rights. Negotiations would specify which poles

 $^{^{6}}$ Comments of Ameritech at 33-37, NYNEX at 11-12, and US West at 15-16.

⁷ Comments of SBC at 17, US West at 15-16, and USTA at 9-11.

would be accessed, whether and how much space is available, expansion of the conduit needed to accommodate carriers, and other issues related to the particular facility.

Telecommunications Carriers for Competition has submitted access rules with its initial comments. MCI endorses those rules and asks the Commission to include them in the final rules adopted in this docket.

NYNEX, PacTel and US West contend that owners of facilities should be allowed to treat themselves differently from their competitors. Section 251(c)(3) assures nondiscriminatory access to ILEC network elements, and rights of way are network elements because they are facilities. An ILEC clearly has an affirmative obligation to provide access to rights of way under this provision. Moreover, the purpose of Section 251(b)(4) is to ensure that LECs provide reasonable access to rights of way. The term "nondiscriminatory" does not appear in the provision. Under the reading offered by these ILECs, they could flatly deny access to all other carriers, or provide the same inferior access to all other carriers. To do either would not advance the objectives of

⁸ Comments of NYNEX at 12-14, PacTel at 19-21, and US West at 16.

the 1996 Act to create a competitively-neutral environment.

US West (at 16-18) contends that regulating "occupation" of LEC facilities constitutes a taking of private property. An ILEC's involuntary sale of the right to use a loop or a switch does not constitute a physical invasion of its property. Regulated monopolies are routinely subject to legal mandates to sell their services to all customers who want them, on terms set by the regulators. These statutory requirements do not depart from this principle.

In any event, even "physical invasions" of property are constitutional if the property owner receives "just compensation." MCI is recommending that compensation be set at total service long run incremental cost (TSLRIC), on the basis of the proportionate space used by each carrier. US West has not shown that TSLRIC-based pricing would fail to satisfy this constitutional standard. TSLRIC, not embedded cost, most closely reflects current market value of the property. This is not inconsistent with US West's argument that the standard requires "realization of the full market value of the property taken."

Comments of US West at 32, filed May 20, 1996.

IV. Notice of Technical Changes

Contrary to positions taken by NYNEX and PacTel, 10 the network disclosure requirements contained in Section 251(c)(5) apply only to ILECs.

The Commission cannot rely on industry guidelines, or industry fora, to address notification and publication of technical and operational standards, as advocated by NYNEX, SBC and USTA. The Regional Bell Operating Companies have historically controlled the industry discussions on these issues and therefore the industry process would continue to be biased in favor of these incumbents. Moreover, it serves the public interest to have this information collected in a place that is accessible to all carriers, even those without the means to participate in the industry forums. The Commission is such a place.

¹⁰ Comments of NYNEX at 15-17 and PacTel at 5-7.

Comments of NYNEX at 15-16, SBC at 13-14, and USTA at 11-14.

V. Conclusion

For the reasons described above, MCI respectfully requests that the Commission adopt the tentative conclusions proposed in the Notice and endorsed by MCI, and adopt the additional requirements MCI requests in its Comments and Reply Comments.

Respectfully submitted,

MCI TELECOMMUNICATIONS CORPORATION

y: <u>_____</u>

J. Garcia

1801 Pennsylvania Avenue, N.W. Washington, D.C. 20006

(202) 887-2082 Its Attorney

Dated: June 3, 1996

CERTIFICATE OF SERVICE

I, Stan Miller, do hereby certify that copies of the foregoing Reply Comments were sent via first class mail, postage paid, to the following on this 3rd day of June, 1996.

Reed E. Hundt**
Chairman
Federal Communication Commission
Room 814
1919 M Street, NW
Washington, DC 20554

James H. Quello**
Commissioner
Federal Communication Commission
Room 802
1919 M Street, NW
Washington, DC 20554

Rachelle E. Chong**
Commissioner
Federal Communication Commission
Room 844
1919 M Street, NW
Washington, DC 20554

Regina Keeney**
Chief, Common Carrier Bureau
Federal Communications Commission
Room 500
1919 M Street, N.W.
Washington, D.C. 20554

Richard Welch**
Chief, Policy and Program Planning
Division
Federal Communications Commission
Room 544
1919 M Street, N.W.
Washington, D.C. 20554

International Transcription Service**
1919 M Street, NW
Washington, DC 20554

James D. Schlichting**
Chief, Competitive Pricing Division
Federal Communications Commission
Room 518
1919 M Street, N.W.
Washington, D.C. 20554

Janice Myles**(5)
Common Carrier Bureau
Federal Communications Commission
Room 544
1919 M Street, N.W.
Washington, D.C. 20554

Steven Weingarten** (2)
Competitive Pricing Division
Federal Communications Commission
Room 518
1919 M Street. N.W.
Washington, D.C. 20554

Susan P. Ness**
Commissioner
Federal Communication Commission
Room 832
1919 M Street, NW
Washington, DC 20554

Kevin C. Gallagher **360° Communications Co.** 8725 West Higgins Road Chicago, IL 60631

Rodney L. Joyce **AD HOC Coalition** 1250 Connecticut Avenue, N.W. Washington, D.C. 20036 Roy E. Hoffinger
Mark C. Rosenblum
Clifford K. Williams
AT&T Corporation.
295 North Maple Avenue, Rm. 324511
Basking Ridge, New Jersey 07920

Robert E. Conn John H. O'Neill, Jr. Norman J. Fry Shaw, Pittman, Potts & Trowbidge **Duquesne Light Company** 2300 N Street, N.W. Washington, D.C. 20037-1128

Lawrence St. Blanc Gayle Kellner Louisiana Public Service Commission P.O. Box 91154 Baton Rouge, La. 70821-9154

John H. O'Neill, Jr.
Robert E. Conn
Norman J. Fry
Shaw, Pittman, Potts & Trowbridge
Public Service Company of New
Mexico
2300 N Street, N.W.
Washington, D.C. 20037-1128

Raymond G. Bender J.r J.G. Harrington Vanguard Cellular Systems, Inc. 1200 New Hampshire Avenue, N.W. Washington, D.C. 20036

R. Michael Senkowski Robert J. Butler Angela N. Watkins Wiley, Rein & Fielding Pacific Telesis Group 1776 K Street, N.W. Washington, D.C. 20006 Thomas E. Taylor
Jack B. Harrison
Cincinnati Bell Telephone
2500 PNC Center
201 East Fifth Street
Cincinnati. Ohio 45202

John M. Goodman
Besty L. Anderson
Lawrence W. Katz
Karen Zacharia
Bell Atlantic
1320 North Court House Rd., 8th Fl.
Arlington, Va. 22201

Campel L. Ayling
Deborah Haraldson
The NYNEX Telephone Companies
1111 Westchester Avenue
Whiet Plains, N.Y. 10604

Robert B. McKenna
Jeffrey S. Bork
Kathryn Marie Krause
James T. Hannon
U.S. West, Inc.
1020 19th Street, N.W., Suite 700
Washington, D.C. 20036

Antoinette Cook Bush
Jay L. Birnbaum
Jeffry A. Brueggeman
Skadden, Arps, Slate, Meager & Flom
Ameritech
1440 New York Avenue N.W.
Washington, D.C. 20005

Mary McDermot
Linda Kent
Charles D. Cosson
Keith Towsend
United States Telephone Association
1401 H Street, N.W., Suite 600
Washington, D.C. 20005

M. Robert Sutherland
Richard M. Sbaratta
A. Kirven Gilbert III
Theodore R. Kingsley
M. Robert Sutherland
Bellsouth Corporation
1155 Peachtree Street, N.E.
Atlanta, Gerogia 30309-3610

James D. Ellis
Robert M. Lynch
David F. Brown
SBC Communications, Inc.
175 E. Houston, Room 1254
San Antonio, Texas 78205

Robert J. Brill
Associate Counsel
New England Power Service Co.

Massachusetts Electric Company
25 Research Drive
Westboro, Ma. 01582

Greg P. Mackay
Perkins Coie
Puget Sound Power & Light
Company
411-108th Avenue N.E., Suite 1800
Bellevue, Washington 98004-5584

Steven T. Nourse Jodi J. Bair **Public Utilities Commission of Ohio Staff** 180 East Broad Street Columbus, Oh. 43215-3793 Margot Smiley Humphrey
David Cosson
L. Marie Guillory
Steven E. Watkins
Ken Johnson
Lisa M. Zaina
Stuart Polikoff
The Rural Telephone Coalition
2626 Pennsylvania Ave. N.W.
Washington, D.C. 20037

Daniel E. Smith **ProNet Inc.**1400 Sixteenth St., N.W., Suite 500

Washington, D.C. 20036

Michael J. Ettner

General Services Administration and

Department of Defense

18th F Streets, N..W., Rm 4002

Washington, D.C. 20405

Brad E. Mutschelknaus Steve A. Augustino Kelley Drye & Warren American Communications Services, Inc. 1200 19th Street, N.W., Suite 500 Washington, D.C. 20036

Kathy L. Shobert **General Communication, Inc.**901 15th Street N.W., Suite 900

Washington, D.C. 20005

Frederick M. Joyce
Elaine D. Critides
Celpage, Inc.
1019 19th Street, N.W. 14th FI-PH2
Washington, D.C. 20036

Richard D. Gary
Charles H. Carrathers III
Hunton & Williams
Virginia Electric & Power Company
951 East Byrd Street
Richmond, Virginia 23219

Michael A. Rump **Kansas City Power & Light Company** 1201 Walnut P.O. Box 418679 Kansas City, Missouri 64141-9679

Paul Glist
Cole, Raywid & Braverman
Continental Cablevision, Inc.
1919 Pennsylvania Avenue. N.W.
Suite 200
Washington, D.C. 20006

Stephen E. Morgan Linda R. Evers Ohio Edison Company 76 South Main Street Akron, Oh. 44308

Richard M. Tettlebaum

Citizens Utilities Company
1400 16th Street, N.W., Suite 500
Washington, D. C. 20036

Davis Wright Tremaine
Daniel M. Waggoner
Nextlink Communication, L.L.C.
2600 Century Square
1501 Fourth Avenue
Seattle, Washington 98101-1688

Lawrence D. Crocker, III

District of Columbia Public Service

Commission

450 Fifth Street, N.W.

Washington, D.C. 20001

Dana Frix
Mary Albert
Antony R. Petrilla
Swidler & Berlin, Chtd.
WinStar Communication, Inc.
3000 K Street N.W., Suite 300
Washington, D.C. 20007

Eric J. Branfman Swidler & Berman, Chtd. **GST Telecom, Inc.** 3000 K Street N.W., Suite 300 Washington, D.C. 20007

Charles C. Hunter Hunter & Mow, P.C. **Telecommunications Resellers Association** 1620 I Street, N.W., ?Suite 701 Washington, D.C. 20006

Mark J. Tauber Kecia Boney Mark L. O'Connor Piper & Marbury, LLP **Omnipoint Communication, Inc.** 1200 19th Street, N.W. Washington, D.C. 20036

Stephen L. Goodman
Halpin, Temple, Goodman & Sugure
Northern Telecom Inc.
1100 New York Avenue, N.W.
Suite 650, East Tower
Washington, D.C. 20005

New Jersey Board of Public Utilities State of New Jersey 2 Gateway Center Newark, New Jersey 07102 Michael Altschul Randal S. Coleman

Cellular Telecommunication Industry Association

1250 Connecticut Avenue, N.W. Suite 200 Washington, D.C. 20036

Daniel L. Brenner Neal M. Goldberg David L. Nicoll

The National Cable Television Association. Inc.

1724 Massachusetts Avenue, N.W. Washington, D.C. 20036

Andrew D. Lipman
Russell M. Blau
Swidler & Berli, Chartered
MFS Communciation Company, Inc.
3000 K. Street, N.W., Suite 300
Washington, D.C. 20007

Robert C. Schoonmaker **GVNW Inc./Management**P.O. Box 25969
(2270 La Montana Way)

Colorado Springs, Co. 80936

Charles H. Kennedy
James A. Casey
Morrison & Foester, LLP
Western Alliance
2000 Pennsylvania Avenue N.W.
Suite 5500
Washington, D.C. 20006

Teresa Marrero **Teleport Communications Group Inc.**One Teleport Drive, Suite 300

Staten Island, N.Y. 10311

John D. McMahon Mary L. Krayeske Consolidated Edison Company of New York, Inc. 4 Irving Place- Rm 1815S New York, N.Y. 10003

Jeffrey L. Sheldon Sean A. Stokes UTC and The Edison Electric Institute 1140 Connecticut Avenue, N.W. Suite 1140 Washington, D.C. 20036

David L. Swanson

UTC and The Edison Electric Insitute
701 Pennsylvania Avenue

Washington, D.C. 20004

Russell D. Lukas **Behive Telephone Company, Inc.**1111 19th Street N.W., 12 th floor

Washington, D.C. 20036

Robert A. Mazer
Albert Shuldiner
Vinson & Elkins
The Lincoln Telephone and
Telegraph Company
1455 Pennsylvania Avenue, N.W.
Washington, D.C. 20004-1008

Leon M. Kestenbaum Jay C. Keithley Norina T. Moy **Sprint Corporation** 1850 M Street, N.W., Ste. 1110 Washington, D.C. 20036 Aaron I. Fleischman Stuart F. Feldstein Mitchell F. Brecher Teri B. Natoli **Time Warner Communications Holdings, Inc.** 1400 Sisteenth Street, N.W. Washington, D.C. 20036

Maureen A. Scott Veronica A. Smith John F. Povilaitis Pennsylvania Public Utility Commission P.O. Box 3265 Harrisburg, Pa. 17055-3265

Jeffrey A. Froeschle
Florida Power Corporation
Post Office Box 14042
St. Pertersburg, Flordia 3373

Michael J. Shortley, III Frontier Corporation 180 South Clinton Avenue Rochester, New York 14646

Daniel P. Venora
The Connecticut Light and Power
Company Western Massachusetts
Electric Company Holyoke Water
Power Company Public Service
Company of New Hampshire
P.O. Box 270
Hartford, Ct. 06141-0270

James A. Hirshfield **Summit Communications, Inc.**3633 136th Place Southeast, Suite 107
Bellevue, Washington 98006

David Heinemann
Julie Thomas Bowles
Kansas Corporation Commission
1500 S.W. Arrowhead Road
Topeka, Ks. 66604

Richard J. Metzger
Emily M. Williams
Association for Local
Telecommunication Services
1200 19th Street, N.W., Suite 560
Washington, D.C. 20036

Kathy L. Shobert **General Communication, Inc.** 901 15th Street, N.W., Suite 900 Washington, D.C. 20005

Werner K. Hartenberger
J.G. Harrington
Pamela S. Arluk
Cox Communications, Inc.
1200 New Hampshire Avenue N. W.
Suite 800
Washington, D.C. 20036

Michael Altschul
Randall S. Coleman
Cellular Telecommunication Industry
Association
1250 Connecticut Avenue, N.W.
Suite 200
Washington, D.C. 20036

John H. O'Neill, Jr.
Robert E. Conn
Norman J. Fry
Shaw, Pittman, Potts & Trowbridge
Public Service Company of New
Mexico
2300 N Street, N.W.
Washington, D.C. 20037-1128

Peter Arth, Jr.
Edward W. O'Neill
Mary Mack Adu
People of the State of California and
the Public Utilities Commission of the
State of California
505 Van Ness Avenue
San Francisco, Ca. 94102

Richard J. Metzger
Emily M. Williams
Association for Local
Telecommunication Services
1200 19th Street, N.W., Suite 560
Washington, D.C. 20036

Andrew D. Lipman Russell M. Blau Swidler & Berlin, Chartered MFS Communications Company, Inc. 3000 K. Street, N.W., Suite 300 Washington, D.C. 20007

Shirley S. Fujimoto
Christine M. Gill
Carole C. Harris
Kris Anne Monteith
McDermott, Will & Emery
American Electirc Power Service
Corporation
1850 K Street, N.W., Suite 500
Washington, D.C. 20006

R. Michael Senkowski Robert J. Butler Angela N. Watkins Wiley, Rein & Fielding GTE Service Corporation 1776 K Street, N.W. Washington, D.C. 20006 David J. Gudino
GTE Service Corporation
1850 M Street, N.W. Suite 1200
Washington, D.C. 20036

John H. O'Neill, Jr.
Robert E. Conn
Norman J. Fry
Shaw, Pitmann, Potts & Trowbridge
Delmarva Power & Light Company
2300 N Street, N.W.
Washington, D.C. 20037-1128

Judith St. Ledger-Roty
Reed Smith Shaw & McClay
Paging Network, Inc.
1301 K Street, N.W.
Suite 1100 East Tower
Washington, D.C. 20005

Lee A. Rau Reed Smith Shaw & McClay Paging Network, Inc. 8251 Greensboro Drive, Ste 1100 McLean, Va. 22120

William J. Cello Michigan Public Service Commission Staff 6545 Mercantile Way Leasing, Michigan 48910

Stan Miller